Statement by

Mr. Angel Gurría
Secretary-General, OECD

and

Mr. Brian Atwood
Chairman, OECD Development Assistance Committee (DAC)
We congratulate Jim Yong Kim on his appointment as the new World Bank President and welcome the opportunity to work with him in these challenging times. We also commend the World Bank for putting some of the issues that matter most to people today on the Development Committee agenda, in particular, jobs, gender equality, and managing disaster risks.

In Busan last year the development community agreed that the world had changed profoundly and that development co-operation needs to be based on developing country ownership, transparency and accountability, inclusive partnerships, and a focus on results. The OECD is contributing to these efforts by putting the focus on development outcomes rather than inputs and promoting an “inclusive dialogue” for growth and development, in particular by:

- Implementing the OECD Strategy for Development, where we will leverage our evidence based analysis to develop good policies focused on developing countries;
- Re-doubling our efforts with fragile states;
- Supporting developing country resilience;
- Building on the Busan Partnership to make development work on the ground;
- Strengthening our contributions to the post 2015 world, and to the global governance efforts, including in the G20 and G8;
- Maintaining efforts on ODA, given the current difficult economic climate.

The OECD’s Strategy for Development: an inclusive dialogue for development outcomes

The OECD’s Strategy on Development is the vehicle through which we are strengthening and adapting our work on development. Building on over 50 years of development work, notably in the OECD Development Assistance Committee (DAC) and the Development Centre, the Strategy on Development provides a new impetus to our founding mission. It complements traditional development programs by strengthening the efforts to improve policy making and design in developing countries. It also builds on the accumulated experience of many of our policy communities, at the service of development.

Indeed, our development efforts reflect the need to look beyond financing and reflect a more multi-polar global economy, with emerging and developing countries playing an increasingly important role as a source of growth, finance, trade, investment, knowledge and innovation. Development is multidimensional and we need to adopt comprehensive approaches that cut across different policy domains and disciplines that tap into the diverse experiences and knowledge of countries, key stakeholders and policy communities, promoting an “inclusive dialogue” for growth and development.

This approach is strongly demonstrated in our work with countries to build the foundations for inclusive growth and jobs. In the 5th year of the global crisis this work is now more important than ever. Since the crisis started, millions have lost their jobs and in developing countries millions more people have fallen into, or remained trapped in, extreme poverty. Moreover, relatively strong growth in developing economies has not sufficed to guarantee productive employment for all. For example, Africa’s growth was above the global rate over the last decade but not everyone benefitted. The 2012 African Economic
Outlook shows that job creation has not kept pace with population growth, and that youth have been particularly hard hit. Of Africa’s unemployed, 60% are young people. Many other developing countries are confronted with a similar situation. In fragile and conflict-affected states the jobless situation is even more acute.

Strengthening engagement and knowledge sharing with developing countries to help foster inclusive, jobs-rich growth is therefore a key priority. We also need to be sure not to ignore environmental priorities. Our aim is to work in cooperation with the countries concerned and partner organisations to take a comprehensive approach to diagnosing the constraints to economic and social development in the country and help them to develop the best package of policies for their specific circumstances. This inclusive dialogue builds upon and combines existing expertise across the OECD in areas such as employment, skills, green and social policies. Key areas for developing countries to consider, as identified in the Bank’s papers for this meeting, are education and skills, and gender inequality.

Investing in and making best use of education and skills is a central piece of the growth puzzle. Despite major universal gains in enrolments and participation in schooling, many young people around the world — especially the disadvantaged — are leaving school without the knowledge and skills they need to thrive in society and find decent jobs. Moreover, using data from the OECD’s Programme for International Student Assessment (PISA) and other international assessments, UNESCO’s latest Education For All Global Monitoring Report (2012) suggests the possibility of enormous gains in aggregate economic outcomes from improving student learning, in particular in developing countries. The OECD’s PISA is an important tool that more than 70 countries are using to inform their choices of education policy and to make the best investments they can in schooling. Planning for the 2015 cycle of PISA is currently underway and a large number of developing countries that have not participated in previous PISA cycles have expressed an interest. The positive experiences of Brazil, Peru and Vietnam, for example, demonstrate that developing countries can benefit significantly from participating in PISA. PISA also has potential as an instrument to measure progress towards a global learning goal in the context of the post 2015 world.

While adequate investment in education is a pre-requisite for development, this must be complemented by opportunities for people to use their skills. Without these investments and opportunities, people languish on the margins of society, technological progress does not translate into economic growth, and countries can’t compete in today’s economies. This means investing in skills throughout the life cycle, not just for the time they are in school; from early childhood, through compulsory education, to the transition into the workforce and beyond. All of which contributes to economic growth and social inclusion. We are already working with MENA countries, such as Tunisia, to help tackle the pressing issue of youth unemployment.

Effectively addressing gender inequality will also deliver significant growth and jobs. Despite progress over the last century, the situation of women in many developed and developing countries remains unsatisfactory. The 2012 OECD Ministerial Council Meeting discussed the persistent gender gaps in education, employment and entrepreneurship. It focused on addressing gender inequalities to strengthen inclusive growth, reduce poverty, improve governance and encourage innovation. Ministers undertook to update and strengthen the OECD 1980 Declaration on Policies for the Employment of Women by developing a Recommendation on Gender Equality. We expect the new Recommendation to call on OECD Members to increase the gender equality focus of Official Development Assistance (ODA) – especially in the economic and productive sectors. In addition, one of the OECD’s contributions to the UN’s global thematic consultation on addressing inequalities in the post-2015 development agenda will be to gather evidence on the quality of women’s work in developing countries and identify the statistical requirements for periodic and relevant measures of well-being in women’s paid and unpaid work. Further,
the OECD will contribute expertise on the measurement of discriminatory social institutions to better understand the underlying drivers of women’s employment outcomes.

Proactively sharing our analysis and recommendations with developing countries in policy areas such as this and adapting them to their specific contexts through an inclusive dialogue is at the heart of the OECD’s Strategy on Development.

**Redoubling our efforts with fragile states**

Our development outcomes focus also means that we are redoubling our efforts with fragile states. Working to promote growth and jobs in fragile situations presents a particular challenge. In fragile and conflict situations employment gives people a sense of self-worth and the opportunity to start shaping their future. Jobs can also reduce people’s participation in violence and conflict. The challenge is to generate income opportunities fast enough, including for groups previously marginalised, former combatants and youth. The priority needs to be given to labour-intensive public and community works, increased agricultural productivity and domestic private sector development.

The OECD DAC work on peacebuilding and statebuilding, the Bank’s World Development Report 2011, and a strong impetus from the UN system, have spurred the international community to prioritise and modify ways of working in fragile situations. Countries facing such situations are furthest away from achieving the Millennium Development Goals. Last year in Busan, 15 countries that have suffered from fragility and have constituted themselves in the g7+, together with 21 donor countries and 6 organisations– agreed to use the Peacebuilding and Statebuilding Goals (PSG) of the New Deal for International Engagement in Fragile States to enable progress towards the MDGs. This includes a goal on ‘Economic foundations’ ‘to generate employment and improve livelihoods’. The focus on assessing and tracking progress in building the economic foundations embodied in the ‘Economic foundations’ PSG will provide valuable lessons for how to increase jobs in these situations most effectively.

**Supporting developing country resilience**

While the right package of policies can provide a solid foundation for growth and jobs, we also need to work with developing countries to increase their resilience to risks. Risks such as financial crises, natural disasters, food insecurity, malnutrition and disease, can prevent economies from moving forward and in many cases reverse progress already made.

We are working to identify and tackle the key obstacles that prevent a more coherent approach to analysing, understanding, preventing and responding to such risks. Some of these obstacles are related to: blockages in donor systems that separate principles and approaches to humanitarian crises from those of development assistance; decentralised versus centralised decision making; funding instruments that are inflexible in either scope, scale or time-frame; a lack of the right incentives for risk-taking and risk management and challenges of whole of government co-ordination. To date, most development actors have been risk averse and unable to see situations of risk as opportunities for change. They are so concerned about corruption and reputational risk that they fail to recognise and communicate to politicians and tax payers the need nonetheless to take certain risks.

In parallel with our work to understand the multiple facets of risk, and gain greater acceptance for risk reduction and risk management, the OECD continues to work on specific high risk areas such as climate change and food security and nutrition. Guidance developed for donors as well as partner countries on
climate change adaptation emphasises issues of climate change sensitivity, adaptive capacity and vulnerability and provides a framework to increase resilience at national, local, sectoral and project levels. The OECD/DAC has also developed a means to track climate change finance for both mitigation and adaptation, the key strategy for building resilience in the face of climate risks. In relation to the risks of food insecurity and malnutrition, the OECD is working closely with the FAO and other organisations in response to a request from G20 leaders to develop the Agricultural Market Information System (AMIS) initiative and the Platform on Agricultural Risk Management (PARM), which aims to mainstream risk management in development policies in response to price volatility and food security concerns.

Building on the Busan Partnership to make development work on the ground

While each country knows its own development needs best and each international and regional organisation has its own unique expertise and knowledge to bring to the table, the global development agenda is the mortar that brings different stakeholders together to make development work on the ground.

The Global Partnership for Effective Development Co-operation agreed in Busan by 160 nations, civil society and the private sector is another very important part of the global development agenda. It represents a tangible contribution to the realisation of the MDGs as a truly inclusive partnership for development built to drive progress that provides a new political platform for bringing the « what » to achieve closer to the « how » to achieve it.

One year after Busan, the Partnership is well-positioned to demonstrate progress under the leadership of Minister Armida Alisjahbana of Indonesia, Minister Ngozi Okonjo-Iweala of Nigeria and Secretary of State Justine Greening of the UK, sustaining the political vision and consensus forged in Busan. As the different stakeholders convey their priorities and prepare for the first ministerial meeting of the Global Partnership, it will be important to draw the links with the UN-led process on a post-2015 development framework and the potential contribution that the Global Partnership can make to it.

The OECD will continue to give the Global Partnership the strongest possible support. The first priority will be to work with DAC members to deliver on some key commitments, in areas such as transparency, predictability, use of country systems, and fragmentation. On this last point, our recent report on multilateral trends found that two out of every five donor-partner country relations are not financially significant, while non-core multilateral aid continued to grow in 2010, increasing by 8% in real terms from 2009. The OECD/DAC High Level Meeting in London on 4-5 December will be the moment to demonstrate that the donor community will deliver what they promised, to empower the Global Partnership and to support the leadership by developing partners.

Strengthening our contributions to the post 2015 world, and wider global governance efforts, including G20 and G8

As the 2015 deadline approaches, all international efforts should be activated to help countries meet the MDGs. At the same time the discussion on the post-2015 agenda and framework has started under the auspices of the UN. The OECD/DAC contributed to shaping the original goals that led to the adoption of the MDGs. Today, we welcome that this will be an inclusive partner-led process and we are fully committed to supporting the UN in looking beyond the 2015 target date.

The OECD will be ready to offer its expertise in areas such as measuring the well-being of societies, supporting statistical capacities in developing and developed countries, Green Growth for development, and performance in education, which we believe can help inform solutions to some of the important challenges faced by those taking this process forward.
The OECD also continues to support the G20 Seoul Development Consensus for Shared Growth and its Multi-Year Action Plan through contributions on green growth, food security, human resource development, private investment and job creation, domestic resource mobilisation, knowledge sharing, trade, infrastructure and growth resilience. Since the launch of the G8 Deauville Partnership (DP) in May 2011, the OECD has also been actively supporting the transition countries’ in the MENA region in their efforts to establish sustainable and economic growth through the promotion of job creation and good governance, including economic governance.

**Official Development Assistance**

Last, but by no means least, Official Development Assistance (ODA) remains crucial to development outcomes. ODA is the resource on which development partnerships are built. It is critical that it continues to be an effective, predictable and sustainable source of development financing, especially for the least developed countries. Our data earlier this year showed a 2.7 % drop in real terms in ODA compared to 2010, when ODA reached a historical peak. The fall of ODA has been a source of concern, coming at a time when developing countries have been hit by the knock-on effect of the crisis and need it most and we have continued to emphasise the importance of meeting ODA commitments. This issue and others relating to development financing will remain high on the OECD/DAC agenda in the next few years. In particular, we need to support financing scenarios for achieving the post 2015 goals and promote the use of the most appropriate mechanisms for financing development, which vary widely from one partner country to another.

**Conclusion**

In conclusion, the OECD, with the DAC and all other OECD committees and entities, is pursuing an “inclusive dialogue” for development outcomes, within the Organisation, at the national level with countries, partner organisations and other relevant stakeholders, and at the global level. Financing remains crucial, but we also need to work with countries to develop a comprehensive understanding of the policies they need to achieve growth and jobs, as well as to make them more resilient to risk. The OECD has considerable expertise on development and in inter-disciplinary public policy making. The OECD stands ready to work with all relevant partners to meet the MDGs, develop the new Post 2015 agenda, and make our Development Strategy and the Global Partnership a success.